

AGREEMENT OF LEASE AND SUBLEASE

THIS AGREEMENT OF LEASE AND SUBLEASE is made as of this ____ day of _____, 2003, by and between the COUNTY OF YORK, VIRGINIA (the County) and the INDUSTRIAL DEVELOPMENT AUTHORITY OF YORK COUNTY, VIRGINIA (the IDA).

WITNESSETH:

WHEREAS, the County owns certain parcels of real property located in Yorktown, York County, Virginia, including those parcels identified as York County Tax Map Parcels 18A-1-11B, 18A-1-11D, 18A-1-7B, 18A-1-146, 18A-1-147, 18A-1-144A, 18A-1-145A, 18A-1-144, 18A-1-145, and 18A-9-A1 (hereinafter referred to collectively as the "County Property"), all as shown on Exhibit A attached hereto; and

WHEREAS, the County has entered into a certain agreement ("the Joint Agreement") dated May 7, 2001 and amended as of September 4, 2001, and January __, 2003, with the Trustees of the Town of York (the Trustees) for the management and development of certain of the Trustees' property as shown on the Conceptual Master Plan which is incorporated into the Joint Agreement, a copy of which is attached hereto as Exhibit B, including property identified as York County Tax Map Parcels 18A-8-A and 18A-8-146B (such property hereinafter referred to as "the Trustees' Property"); and

WHEREAS, the County intends to acquire a certain unopened portion of Martiau Street lying between York County Tax Map Parcels 18A-1-7B on the northwestern side of the unopened street, and Tax Map Parcels 18A-1-146 and 18A-1-147 on the southeastern side of said unopened street (shown as "paper street" on Exhibit A), and also a 20' strip of land currently owned by the Commonwealth of Virginia and not shown on

either Exhibit A or Exhibit B, but lying across a portion of York County Tax Map Parcel 18A-1-11D; and

WHEREAS, the County wishes to lease all of the County Property, including the above-referenced 20' strip of land owned by the Commonwealth of Virginia and the unopened portion of Martiau Street, once acquired by the County, and the above-referenced Trustees' Property (all of such property referred to hereinafter as "the Property"), to the IDA for the purposes set out herein, subject however to the right of the County to make a further lease to the Yorktown Freight Shed Limited Partnership of that portion of the Trustees' Property shown on Exhibit A as "Area occupied by the Freight Shed Building" (hereinafter "the Freight Shed building site") together with necessary easements for access to the Freight Shed building site as is specified more fully below.

NOW, THEREFORE, the County and the IDA agree as follows:

1. Lease: The County hereby leases all of the above-referenced County Property, and subleases all of the above-referenced Trustees' Property to the IDA, upon the terms and conditions set forth herein. At such time as the County acquires ownership of that unopened portion of Martiau Street shown on Exhibit A as "paper street" and acquires the interest of the Commonwealth of Virginia in that certain 20' strip of land lying across a portion of York County Tax Map Parcel 18A-1-11D and acquired by the Commonwealth by a deed recorded in York County Deed Book 40, page 276, such after-acquired property shall likewise be deemed included within the terms of this Lease Agreement.

2. Rent: As rent, the IDA shall pay the County the sum of One Dollar (\$1.00) per year for each year of the term of this Agreement.

3. Development and Use of Property: The IDA may occupy and utilize the above-described Property solely for the purpose of developing the Property consistent with the above-referenced Joint Agreement. The IDA agrees to proceed with due diligence to construct the restaurant, office, retail space and the parking facility, travelways and landscaping, and other improvements as are shown on the Conceptual Master Plan attached hereto as Exhibit B, and to comply in all respects with the terms and conditions of the Joint Agreement. The exterior design of such structures shall conform generally to the rendering by Carlton Abbott and Partners for the proposed exterior of a retail structure dated September 18, 2002, entitled "Yorktown Waterfront Revitalization Project-Commercial Shops on Water Street Adjacent to the Coleman Bridge," attached hereto as Exhibit C. The IDA agrees that no structure or improvements shall be constructed on any portion of the Property unless the County Administrator has provided written approval of the construction drawings and specifications that have been prepared by or on behalf of the IDA for permits and construction purposes. Notwithstanding the foregoing, the IDA shall not construct the breakwaters or piers shown on Exhibit B, but shall comply with any request of the County or the Trustees for the creation and conveyance of easements across the Property as may be reasonably necessary for access to any such breakwaters and piers as are required by the terms of the Joint Agreement to be conveyed by the Trustees to the County. Moreover, the IDA shall cooperate with any reasonable request by the County or the Trustees for the erection on the Property of such improvements as monuments, flagpoles, memorial plaques, and similar site amenities, and for the breakwaters and piers shown on Exhibit B, provided that such do not unreasonably interfere with the construction and maintenance of the facilities shown on

Exhibit B, or the use of such facilities by any tenants thereof, and their guests and invitees. Further, the IDA shall cooperate as may reasonably be required to complete the boundary line adjustment between the County Property and the Trustees' Property as is contemplated by the Joint Agreement.

4. Leases: Upon completion of the restaurant, retail and other commercial space, the IDA shall proceed, in consultation with the County, to select suitable tenants for such structures. The IDA acknowledges that it is the desire of the County to obtain a tenant for the proposed restaurant facility who will operate therein a restaurant under the name "Nick's Seafood Pavilion," or other name approved by the County. The IDA shall provide in any such lease that the IDA or its tenant shall be responsible for all custodial work to be performed within any building leased by the IDA. The IDA further acknowledges that the Trustees shall be entitled to approve any lease agreement, the term of which shall extend beyond the term of the Joint Agreement as set out in paragraph 8 A thereof. All rents and profits realized by the IDA from any such lease shall be forwarded to the County to be placed within that fund maintained by the County and known as the "Yorktown Fund," to be managed and made available for expenditures for maintenance of the Property and for the redemption of IDA bonds issued for the development of the Property, as is permitted by the terms of the Joint Agreement.

5. Easements and Public Access: The IDA acknowledges that the improvements to be constructed or maintained on the Property and shown on Exhibit B are intended for public access and for use as commercial buildings for lease to private entities. The IDA will grant to the County such easements across the Property as may be required to permit and maintain such access, and will operate the parking terrace shown

on Exhibit B as a public parking facility, with no fee for parking unless authorized by the County. Moreover, this grant of lease shall be subject to an easement across the entire Property retained by the County, for purposes of access for emergency vehicles and personnel, and for access by County personnel and equipment for the purpose of the construction and maintenance of any public improvements located on the Property, including but not limited to stormwater facilities, piers, breakwaters, and other public amenities, whether or not shown on Exhibit B. Moreover, the County retains a public access easement across any portion of the Property which is shown on Exhibit B as being used for a pedestrian walkway or vehicular travelway, for public pedestrian and vehicular access.

6. Grounds Maintenance: The County shall continue to maintain the landscaping on the Property, including any landscaping installed by the IDA, and shall provide services for the regular pickup and removal of trash and litter. The County shall maintain all storm drainage facilities on the Property and will pay the cost of electric power for streetlights or water for public water fountains, and utilities and janitorial services for public restrooms on the Property.

7. Yorktown Freight Shed Limited Partnership: As referenced above, this lease is subject to the right of the County to grant to Yorktown Freight Shed Limited Partnership ("the partnership"), and its assigns, a leasehold interest in the Freight Shed building site, for the use and occupation of that building formerly used as the Yorktown Post Office building, now relocated as shown on Exhibit A, together with easements for access to the building as is reasonably necessary for the use of the building for commercial purposes. Such access easements may be granted by the County over all or a

portion of the Property as is shown on Exhibit B as being used for pedestrian and/or vehicular travelways, for the benefit of the partnership and its subtenants and assigns, and their guests and business invitees.

8. Term: The term of this Lease Agreement shall be coextensive with the term of the Joint Agreement as set out in paragraph 10 thereof. Upon the termination of this Lease Agreement, all buildings and other structures located on property of the Trustees of the Town of York shall belong to the Trustees, and all structures and other improvements located on the County Property shall be owned by the County.

WITNESS the following signatures and seals:

COUNTY OF YORK, VIRGINIA

By _____ (SEAL)

Title _____

INDUSTRIAL DEVELOPMENT
AUTHORITY OF YORK COUNTY,
VIRGINIA

By _____ (SEAL)

Title _____

GEORGE WASHINGTON MEMORIAL HWY RT. 17

York River

Area occupied by
the Freight Street Building

WATER ST

BUCKNER ST

PAPER STREET

MARTIN ST

7B

144A

144

146

147

145

145A

A1

Leased Area	Map Number	Current Owner
1	18A-(1)-11B	York County Board of Supervisors
	18A-(1)-11D	VDOT & York County Board of Supervisors
	18A-(8)-A	York County Trustee
	18A-(1)-14B	York County Trustee
2	18A-(1)-7B	York County Board of Supervisors
	PAPER STREET	UNKNOWN
	18A-(1)-146	York County Board of Supervisors
	18A-(1)-147	York County Board of Supervisors
3	18A-(1)-144A	York County Board of Supervisors
	18A-(1)-145A	York County Board of Supervisors
	18A-(1)-144	York County Board of Supervisors
	18A-(1)-145	York County Board of Supervisors
	18A-(9)-A1	York County Board of Supervisors

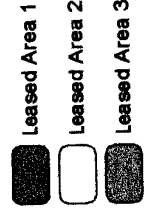


EXHIBIT A



THIS IS NOT A LEGAL PLAT.
This map should be used for
information purposes. It is not
suitable for detailed site planning.

January 8, 2003